

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("Master Agreement"), together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement"; provided that, the provisions of each Confirmation shall control if and to the extent that there is a conflict between the provisions of the Master Agreement, as modified by the Schedules, and the Confirmation. The Parties to this Master Agreement are the following:

Name: (Sierra Power Corporation or "Party A")

Name ("Pacific Gas and Electric Company" or "Party B")

All Notices: P.O. Box 10060
Terra Bella, CA 93270-0060

All Notices: P. O. Box 770000, MCN12E
San Francisco, CA 94177

Street: 9000 Rd. 234

Street: 245 Market Street

City: Terra Bella, CA Zip: 93270

City: San Francisco Zip: 94105

Attn: Contract Administration

Attn: Contract Administration

Phone: 559/535-4893

Phone: 415/973-0070 or 415/973-1170

Facsimile: 559/535-4515

Facsimile: 415/973-9176

Duns: 150836351

Duns: 556650034

Federal Tax ID Number: [REDACTED]

Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Kent Duysen
Phone: 559/535-4893
Facsimile: 559/535-4515

Invoices:

Attn: Marc Renson
Phone: 415/973-1721
Facsimile: 415/973-2151

Scheduling:

Attn: Dave Myer
Phone: 559/535-5325
Facsimile: 559/535-5936

Scheduling:

Attn: Kevin Coffee
Phone: 415/973-7631
Facsimile: 415/973-5333

Payments:

Attn: Kent Duysen
Phone: 559/535-4893
Facsimile: 559/535-4515

Payments:

Attn: Marc Renson
Phone: 415/973-1721
Facsimile: 415/973-2151

Wire Transfer:

Attn: [REDACTED]
Phone: [REDACTED]
Facsimile: [REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: [REDACTED]
ACCT: [REDACTED]

Credit and Collections:

Attn: Kent Duysen/Michael Spohn
Phone: 559/535-4893
Facsimile: 559/535-4515

Credit and Collections:

Attn: Credit Risk Management
Phone: (415) 973-0004
Facsimile: (415) 973-7031

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Kent Duysen
Phone: 559/535-4893
Facsimile: 559/535-4515

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Rich Miram, Manager-Power Contracts
Phone: 415/973-1170
Facsimile: 415/973-0585

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff _____ Dated _____ Docket Number _____
Party B Tariff Tariff _____ Dated _____ Docket Number _____

Article Two

Transaction Terms and Conditions Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies Cross Default for Party A:
 Party A Cross Default Amount \$ 200,000
 Other Entity:
 Cross Default Amount _____
Cross Default for Party B:
Party B: PG&E Cross Default Amount \$ 100 million
 Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
- Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
- Option C

Article 8

8.1 **Party A Credit Protection:**

Credit and Collateral Requirements

- (a) Financial Information:
 - Option A
 - Option B Specify: _____
 - Option C Specify: financial statements when publicly available
- (b) Credit Assurances:
 - Not Applicable
 - Applicable
- (c) Collateral Threshold:
 - Not Applicable
 - Applicable

If applicable, complete the following:

Party B Collateral Threshold: n/a
Party B Independent Amount: n/a
Party B Rounding Amount: n/a

(d) Downgrade Event:

- Not Applicable
 Applicable

If applicable, complete the following:

It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party B is not rated by either S&P or Moody's

- Other:
 Specify: _____

(e) Guarantor for Party B: Not Applicable

Guarantee Amount: _____

(f) Security for Party B

Party A shall provide Security pursuant to Section 29 (l) of the Confirmation Agreement

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
 Option B Specify:
 Option C Specify:

(b) Credit Assurances:

- Not Applicable
 Applicable

(c) Collateral Threshold:

- Not Applicable
 Applicable

If applicable, complete the following:

Party A Collateral Threshold: n/a

Party A Independent Amount: n/a

Party A Rounding Amount: n/a

(d) Downgrade Event:

- Not Applicable
 Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A's or Party A's Guarantor's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party A is not rated by either S&P or Moody's.
- Other:
 Specify: _____

(e) Security to be provided by Party A:

Pursuant to Section 29(l) of Confirmation Agreement between the Parties dated _____.

Article 10

Confidentiality

Confidentiality Applicable If not checked, inapplicable.


Schedule M

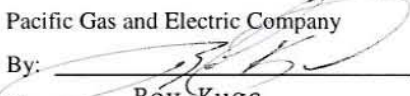
- Party A is a Governmental Entity or Public Power System
 Party B is a Governmental Entity or Public Power System
 Add Section 3.6. If not checked, inapplicable
 Add Section 8.6. If not checked, inapplicable

Other Changes

As specified in the Confirmation Agreement between the Parties dated_____.

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A Name: Sierra Power Corporation
By: 
Name: Kent Drysen
Title: President
Date: 9/22/03

Pacific Gas and Electric Company
By: 
Name: Roy Kuga
Title: Director - Gas & Electric Supply
Date: 9/18/03

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.